

## Middle Class Economics: Supporting Women and Working Families

The President's 2016 Budget is designed to bring middle class economics into the 21st Century. This Budget shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. It lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change. And it makes the critical investments needed to accelerate and sustain economic growth in the long run, including in research, education, training, and infrastructure.

These proposals will help working families feel more secure with paychecks that go further, help American workers upgrade their skills so they can compete for higher-paying jobs, and help create the conditions for our businesses to keep generating good new jobs for our workers to fill, while also fulfilling our most basic responsibility to keep Americans safe. We will make these investments, and end the harmful spending cuts known as sequestration, by cutting inefficient spending and reforming our broken tax code to make sure everyone pays their fair share. We can do all this while also putting our Nation on a more sustainable fiscal path. The Budget achieves about \$1.8 trillion in deficit reduction, primarily from reforms to health programs, our tax code, and immigration.

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The U.S. economy is recovering: in 2014, the economy added more jobs than in any full calendar year since the 1990's, and the unemployment rate fell. In December 2014, the unemployment rate for women over age 16 fell to 5.3 percent, down 1.2 percentage points from a year ago and 3.7 percentage points from November 2010 when it reached its highest level during the Great Recession. The Budget builds on this progress, taking a number of steps to expand opportunity and promote equal pay for women and girls. These efforts focus on strengthening the position of women in the workforce, supporting the needs of working women, protecting women and girls from domestic violence and sexual assault, and ensuring that children are given access to early education and good nutrition.

### SUPPORTING WOMEN AND FAMILIES IN THE WORKPLACE

As our economy changes, we need to ensure that the Nation's workers have the skills they need to succeed in family-supporting jobs. The Administration builds on the bipartisan Workforce Innovation and Opportunity Act (WIOA) with investments that connect workers with good jobs, prepare workers with the skills employers need, and partner with employers to create more on-the-job training and apprenticeship opportunities so workers can learn the skills they need for better, higher-paying jobs and earn wages while they are training.

**Expanding Paid Leave for Federal Employees.** In order to recruit and retain the best possible workforce to provide outstanding service to American taxpayers, the Budget proposes legislation that would offer Federal employees six weeks of paid administrative leave for the birth, adoption, or foster placement of a child. In addition, the proposal would make explicit the ability for new parents to use sick days to care for a new child. This proposal is part of a broader effort to expand the availability of paid family leave for the Federal workforce, and compliments the President's memorandum in January directing agencies to amend their policies to allow for the advancement of 30 days of paid sick leave for new parents or those caring for ill family members, establish voluntary leave bank or leave transfer

programs, and update their leave policies to provide maximum flexibility to increase the ability for the Government to recruit and retain top talent.

**Encouraging State Paid Leave Initiatives.** Too many American workers must make the painful choice between caring for their families and a paycheck they desperately need. While the Family and Medical Leave Act allows many workers to take job-protected unpaid time off to care for a new baby or sick child, or tend to their own health during a serious illness, millions of families cannot afford to use unpaid leave. A handful of States have enacted policies to offer paid leave, and the Federal government can encourage more States to follow their lead. The Budget includes \$2 billion for the Paid Leave Partnership Initiative to assist up to five States that wish to launch paid leave programs, following the examples of California, New Jersey, and Rhode Island. States that participate in the Paid Leave Partnership Initiative would be eligible to receive funds for the initial set up and half of the benefit costs of the program for three years. The Budget also includes a \$35 million State Paid Leave Fund to provide technical assistance and support to States that are still building the infrastructure they need to launch paid leave programs in the future.

**Promoting Equal Pay for Equal Work.** According to the latest Census statistics, full-time working women earn 78 cents to every dollar earned by men, and the gap is significantly greater for women of color. The Budget makes important investments to help ensure that women receive equal pay for equal work. It provides additional resources to strengthen the pay discrimination enforcement efforts of the Department of Labor's Office of Federal Contract Compliance Programs and maintains strong support for the Equal Employment Opportunity Commission, agencies that work to secure equal employment opportunities for all workers.

**Raising the Minimum Wage.** In a Nation as wealthy as the United States, far too many workers are living below the poverty line. Over the past 30 years, modest minimum wage increases have not kept pace with the higher costs of basic necessities for working families. The Administration supports raising the minimum wage so hard-working Americans can earn enough to support their families and make ends meet. Many companies, from small businesses to large corporations, also see higher wages as the right way to boost productivity, reduce turnover, and increase profits. Raising the minimum wage is good for workers, their families, and the economy.

Since the President made his initial call to raise the minimum wage in the 2013 State of the Union, 17 States and the District of Columbia, as well as cities and businesses across the country, have taken action to raise wages which will benefit 7 million workers. The President is calling on States, cities, and businesses to follow that lead and help raise wages for millions of additional workers and for Congress to finally act so that no one who works full time lives in poverty. Additionally, the President will propose steps to ensure that our minimum wage laws are enforced. Currently, some of the penalties against employers who fail to pay their workers a minimum wage are not strong enough to deter violations. Some studies have even found that it is cheaper for firms not to comply with minimum wage laws, even when firms know they will be caught. In response, the President will propose strengthening penalties against employers who jeopardize workers' health, safety, wages, right to family and medical leave and retirement security. This includes levying larger penalties against employers that intentionally keep fraudulent wage and hour records or no records at all, which is-- of the ways irresponsible employers game the system to cheat their workers out of hard-earned wages.

**Supporting Women-Owned Businesses.** The Budget includes Small Business Administration (SBA) funding to support the operations of more than 100 Women's Business Centers. These centers annually

provide counseling and training to more than 140,000 women entrepreneurs looking to expand or start small businesses. In addition, the Budget continues support for the Women's Business Council to serve as an independent source of advice and policy recommendations on issues of economic importance to women business owners.

**Protecting the Health, Safety, Wages, Working Conditions, and Retirement of American Workers.** The Budget includes nearly \$1.9 billion for the Department of Labor's worker protection agencies, putting them on sound footing to meet their responsibilities to defend the health, safety, wages, working conditions, and retirement security of American workers. The Administration is also pursuing a combination of executive and legislative actions to strengthen these laws and their enforcement, so workers can earn wages that will allow them to sustain their families, be protected from discrimination, and return home safely at the end of a day's work. In addition, while enforcement and compliance resources are vital to improving adherence with our Nation's labor and employment laws, many of these laws impose weak penalties or no penalties at all on employers who do not meet their responsibilities. The Budget proposes to strengthen the Department of Labor's civil penalties, and also improve the Federal Civil Penalties Inflation Adjustment Act, which was established to maintain the deterrent effect of civil monetary penalties government-wide through timely and predictable inflationary adjustments but falls short of this goal as it is currently structured.

**Expanding the EITC for Childless Workers.** The Earned Income Tax Credit (EITC) is a pro-work tax credit that reduces poverty and promotes employment among families with children. However, the EITC available to childless workers and non-custodial parents is much smaller with a maximum of \$500, phases out when workers still have very low earnings, and is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget will double the maximum credit (to \$1,000), making the credit available to workers up to about 150 percent of the poverty line. It would also expand eligibility to workers age 21-24, encouraging employment and on-the-job experience for young adults, helping them to make ends meet. The proposal would reduce poverty and hardship for 13.2 million low-income workers struggling to make ends meet while promoting employment.

**Ensuring that the EITC and CTC Continue to Support Working Families.** The President continues to propose making permanent improvements to the EITC and Child Tax Credit (CTC) that augment wages for 16 million families with 29 million children each year. These improvements provide additional benefits to low-income working parents, families with three or more children, and married families, but are currently scheduled to expire at the end of 2017. Allowing these benefits to expire would result in a roughly \$1,700 tax increase for a full-time minimum wage worker with two children. Research has consistently shown that the helping low-wage working families through the EITC and CTC not only boosts parents' employment rates and reduces poverty, but has positive longer-term effects on children, including improved health and educational outcomes.

**Creating Pathways to High-Growth Jobs.** Last year, Congress came together and passed important improvements to the Nation's job training system with the bipartisan Workforce Innovation and Opportunity Act (WIOA). To build on this progress, the Budget increases funding for the core WIOA grants and provides \$1.2 billion, a \$500 million increase over the 2015 enacted level, to support in-person employment services for unemployed workers to help them find a good job or the training or services they need prepare for one. This investment would reach the one-third of unemployment insurance beneficiaries who are most likely to run out of benefits before getting reemployed, all returning veterans who receive unemployment benefits, and other displaced workers who come into

American Job Centers. Evidence suggests that these types of services are a cost-effective intervention that get workers back into jobs faster, and help employers to fill their in-demand jobs. For workers who need job training to get back on their feet, the Budget provides \$16 billion over ten years to double the number of workers receiving training through the workforce development system. This training would focus on industries that are expected to experience significant growth in the coming decades, such as health care, energy, advanced manufacturing, transportation and logistics, cybersecurity, and information technology. Additional funding would also be available to provide training, subsidized employment and need-based stipends for the long-term unemployed.

**Spreading the Development and Adoption of Industry-Validated Credentials.** The Budget provides \$500 million for Industry Credentialing and Career Pathways Grants, including \$300 million specifically targeted at information technology jobs. These grants would be competitively awarded to create employer-validated credentials where they do not yet exist, drive additional employer uptake of credentials that do exist, and develop curricula and assessments that lead to the credential. Grants would be awarded to employer collaboratives in partnership with the workforce system, post-secondary institutions such as community colleges, and other innovative education and training providers.

**Supporting Work Opportunities for Low-Income Out-of Work Parents and Youths.** The Budget proposes to redirect \$573 million in annual Temporary Assistance for Needy Families (TANF) funding to a Pathways to Jobs initiative, which will support State partnerships with employers to provide subsidized job opportunities for low-income individuals. This proved in recent years to be an effective strategy for getting disadvantaged adults back into the workforce, and the Budget proposes to build on that success.

**Improving Employment Outcomes for HUD-Assisted Households.** The Budget increases job training and financial incentives to help public housing residents secure employment and increase their earnings through the Department of Housing and Urban Development's (HUD) Jobs-Plus program, which has been shown to boost annual incomes by \$1,300 on average. The Budget provides \$100 million for Jobs-Plus to target assistance to approximately 20,000 individuals, or about 15,000 more than in 2015. The request includes up to \$15 million to implement a demonstration of the Jobs-Plus model in Indian Country. The Budget also provides \$85 million for the Family Self-Sufficiency (FSS) program to link HUD-assisted households with job training, child care, transportation, financial literacy and other supportive services, and help them build assets through interest-bearing escrow accounts.

**Expanding Technical Training Programs at Community Colleges for Middle Class Jobs in Communities.** Community colleges, like those in Tennessee and Texas, that build strong employer partnerships and offer training in in-demand fields are creating career pathways to the middle class. The Budget requests \$200 million for a new American Technical Training Fund to create or expand innovative, evidence-based job training programs in high-demand fields that provide a path to the middle class. Projects would emphasize strong employer partnerships, work-based learning opportunities, accelerated training, and flexible scheduling for students to accommodate part-time work. Programs could be created within current community colleges, other innovative, non-traditional training providers, or these entities in partnership with secondary programs. This initiative would be housed in the Career and Technical Education Innovation Fund, jointly administered by the Department of Education and the Department of Labor and builds on the Trade Adjustment Assistance Community College and Career Training Grants (for which 2014 was the final year of funding).

## **ENSURING WOMEN AND FAMILIES ARE HEALTHY AND SAFE FROM HARM**

**Continuing Efforts to Combat Violence Against Women.** The Budget provides \$474 million for the Office on Violence Against Women (OVW) at the Department of Justice to reinforce efforts to combat and respond to violent crimes against women. As a result of prior investments in this area, civil and criminal justice systems are more responsive to victims, and crimes of violence committed against women have declined in recent years. Yet, reducing such violence and meeting the needs of the almost 1.3 million women victimized by rape and sexual assault annually, and the nearly seven million victims of intimate partner violence each year, remains a critical priority. This funding includes \$193 million for STOP Grants to Combat Violence Against Women, \$27 million for the Sexual Assault Services Program (SASP), and \$26 million to reduce violent crimes against women on campus. The Budget also provides \$21 million for the VAWA 20/20 initiative, a new grant program aimed at closing identified gaps in the fight against violence against women, and \$5 million for a new Tribal Special Domestic Violence Criminal Jurisdiction grant to support tribes that choose to participate through funding to strengthen tribal criminal justice systems, provide indigent defense counsel, develop appropriate jury pools, and assist victims. Additionally, the Budget provides \$37.5 million for the Department of Housing and Urban Development to provide approximately 5,000 new housing vouchers for survivors of domestic and dating violence, sexual assault, and stalking requiring an emergency transfer from their current assisted housing.

**Supporting Victims of Domestic Violence and Human Trafficking.** The Budget provides \$162 million for shelters, supportive services, and a national hotline for victims of domestic violence at the Department of Health and Human Services (HHS). Additionally, at the Department of Housing and Urban Development (HUD), the Budget provides funding for approximately 5,000 new tenant protection housing vouchers to be used for emergency transfers from assisted housing for victims of domestic or dating violence, sexual assault, and stalking, as established by the Violence Against Women Act of 2013. The Budget also provides funding for victims of domestic and dating violence who are not already participating in an assisted housing program to receive vouchers as part of the Tenant Based Rental Assistance program.

In addition to anti-trafficking efforts by the Departments of Justice and Homeland Security, the Budget includes \$24 million for HHS initiatives to prevent and address domestic human trafficking. This includes a new initiative focused on providing comprehensive services to youth in the child welfare system who are victims of or at-risk of human trafficking. HHS initiatives also include training for service providers and investments in data collection, research, and evaluation.

**Addressing Sexual Assault in the Military.** The Department of Defense (DOD) undertook a comprehensive year-long review of its progress in preventing and responding to sexual assault in the military and delivered a report of its findings and recommendations to the President in December 2014. The report identified progress made in sexual assault prevention and response, developed metrics and indicators to assist in tracking progress, and highlighted where additional attention will be necessary to address identified areas for improvement. For example, DOD has undertaken over 40 Secretary of Defense-directed initiatives, including enhancing training of key personnel, revising policies regarding victim rights and care, and improving the military justice process. These initiatives have contributed to an over 50-percent increase in reporting by victims since 2012, while survey data indicate that prevalence of sexual assaults in the military for both men and women is in decline; however, even one sexual assault in the Armed Forces is one too many. The Budget provides the funds needed to implement, sustain, and improve the Department's initiatives, including the groundbreaking Special

Victims' Counsel Program, which provides victims of sexual assault with independent, personalized legal advice and representation, protecting their rights and empowering them to successfully navigate the military justice system. In addition, the Budget funds the Coast Guard Sexual Assault Prevention Council's efforts to influence service-wide organizational and cultural change as it oversees uninterrupted implementation of the Sexual Assault Prevention and Response Strategic Plan through FY 2016.

**Preventing Teen Pregnancy.** The Budget includes \$180 million for evidence-based models that prevent teenage pregnancy to build on the significant progress that has been made in this area.

The Budget also includes \$17 million within CDC to conduct research and translate science into practice to reduce sexual risk behaviors and teen pregnancy; develop innovative interventions for 15- to 24-year old young men to reduce their risk of fathering a teen pregnancy; and collaborate with health centers and youth serving organizations to implement evidence-based reproductive health services for adolescents and high risk youth.

**Ensuring Access to Quality, Affordable Health Care for Women and Girls.** The Affordable Care Act ensures that Americans can access high-quality, affordable coverage, providing health insurance to millions of Americans who would otherwise be uninsured. Efficiently and effectively implementing the law is one of the Administration's highest priorities. Women have already benefitted from the law; no longer can women be charged more for insurance just because of their gender or for preexisting conditions, and women are now receiving preventive care without copays, co-insurance or deductibles. An estimated 48.5 million women with private health insurance are benefiting from recommended preventive services with no cost sharing, including mammograms, cervical cancer screenings, prenatal care, flu and pneumonia shots, and regular well-baby and well-child visits. Almost 30 million of those women did not have access to preventive services without cost-sharing before the Affordable Care Act. In addition, women make up more than half of the Medicare population, and under the Affordable Care Act, 26.8 million women who have coverage through Medicare now receive preventive services without cost-sharing.

Americans also have the security of knowing that if they want to change jobs or start their own business, they will have access to health insurance for their family. Additionally, premium tax credits and cost sharing assistance are making coverage affordable.

**Extending the Children's Health Insurance Program (CHIP).** The Children's Health Insurance Program (CHIP) currently serves over 8 million children of working parents who are not eligible for Medicaid. The Budget proposes to extend funding for CHIP, which ends in 2015, through 2019, ensuring continued, comprehensive, affordable coverage for these children.

**Supporting Nutrition for Women, Children and Infants.** The Budget provides \$6.6 billion to support the 8.5 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, infants, and young children.

**Supporting Affordable Rental Housing for 4.7 million Families.** Housing assistance not only helps families make ends meet, it can help families move to communities with greater opportunities and can increase housing stability. The Budget includes \$21.1 billion for the Housing Choice Voucher program (\$1.8 billion more than the 2015 enacted level) to help approximately 2.4 million low-income families

afford decent housing in neighborhoods of their choice. In addition to supporting all existing vouchers, the Budget provides funding to restore approximately 67,000 incremental vouchers lost in 2013 due to sequestration, including new vouchers to provide housing assistance to families, veterans, and tribal families experiencing homelessness, victims of domestic or dating violence, youth aging out of foster care, and families with children in the foster care system for whom assistance could facilitate reunification. HUD will work with the appropriate agencies so that wraparound services are provided to these populations. The Budget also includes \$10.8 billion for the Project-Based Rental Assistance program to maintain affordable rental housing for 1.2 million families, and \$6.5 billion in operating and capital subsidies to preserve affordable public housing for 1.1 million families, an increase of \$0.2 billion over the 2015 enacted level. Further, the Budget provides \$50 million for the Rental Assistance Demonstration (RAD), which leverages private financing to reduce backlogs of capital repairs. These funds will be targeted to public housing properties in high-poverty neighborhoods, including designated Promise Zones, where the Administration is also supporting comprehensive revitalization efforts.

**Ending Homelessness.** In partnership with communities across the country, the Administration has made significant progress toward the President's ambitious goals of ending homelessness, especially among veterans. Major cities, including Salt Lake City, Utah and Phoenix, Arizona, have ended chronic homelessness among veterans. And in January, New Orleans, Louisiana became the first major American city to end veteran homelessness entirely. Nationally, veteran homelessness is down 33 percent and the total number of people experiencing chronic homelessness on a single night is down 21 percent from 2010 to 2014.

With continued focus from Federal, state and local partners, we are on a path to end veteran homelessness by the end of 2015. The Budget includes \$2.5 billion for HUD's Homeless Assistance Grants, which will support 15,000 additional families through rapid rehousing and an estimated 25,500 new units of permanent supportive housing targeted to the chronically homeless. These funds, in coordination with the targeted special purpose Housing Choice Vouchers, will support the Administration's efforts to end chronic homelessness in 2017 and to make significant progress in ending homelessness across all other populations.

**Supporting Children and Youth in Foster Care.** As part of the Administration's efforts to provide support for stable homes and strong support structures for vulnerable children and youth, the Budget includes a package of proposals to help improve the lives of children and youth in foster care and to help them reach their full potential. The Budget includes \$1.4 billion in new mandatory funding to provide preventative services to vulnerable families and children to address hardships early, keeping more children out of foster care and with their families, to promote family-based care for children with behavioral and mental health needs to reduce the use of congregate care and ensure it is used only when necessary, and for tribes to build their child welfare infrastructure and for tribal children and youth removed from their homes to remain in their communities. Additionally, the Budget includes \$50 million in new discretionary funding to develop best practices for child protection investigations, to provide comprehensive services to youth in the child welfare system who are victims of or at-risk of human trafficking, and to build capacity and strengthen the services of tribal and rural child welfare systems.

**Maintaining Affordable, High-Quality Primary and Preventive Care.** Across the United States, 1,300 health centers operate over 9,000 primary care sites that serve as high-quality, dependable sources of primary care services in communities. The Budget invests \$4.2 billion, including \$2.7

billion in new mandatory resources, in the Health Centers program in 2016 to support services for an estimated 28.6 million patients. In total, the Budget provides \$8.1 billion in new mandatory resources over three years to support health centers.

## **PROMOTING ACCESS TO HIGH-QUALITY EDUCATION AND TRAINING**

**Expanding Access to High-Quality Early Childhood Education.** High-quality child care and early education for young children serves two important functions: it supports parents in the workforce and it helps support healthy child development and school readiness. The Budget expands access to high-quality early childhood education while also investing in innovation and evaluation to continue to build the evidence base about what works for our youngest learners. The Budget:

- **Expands access to quality, affordable child care.** The Administration proposes a historic investment in child care to ensure that quality, affordable care is available to all eligible low- and moderate-income working families with young children, as opposed to the small share of children who receive this help today. This proposal will expand access to high-quality care for more than 1.1 million additional children under age four by 2025 and help States build a supply of quality care that families can access. The Budget also includes funding to help States implement the changes required by the new bipartisan Child Care and Development Block Grant Act of 2014 and for competitive pilot projects to develop, implement, and evaluate innovative models of providing care that meet the needs of working families.
- **Cuts taxes for families paying for child care with a credit of up to \$3,000 per child.** The Budget triples the maximum Child and Dependent Care Tax Credit (CDCTC) for families with children under age five and makes the full CDCTC available to families with incomes of up to \$120,000, benefiting families with young children, older children, and dependents who are elderly or have disabilities. Meanwhile, the Budget would eliminate tax preferences for flexible spending accounts (FSAs) for child care expenses, which are poorly targeted and complex, reinvesting the savings in the improved CDCTC. The child care tax reforms would benefit 5.1 million families, helping them cover costs for 6.7 million children.
- **Increases the duration of Head Start programs and invests in high quality infant and toddler care.** The Budget expands access to high-quality care for tens of thousands of additional infants and toddlers through Early Head Start-Child Care Partnerships, and provides over \$1 billion in additional funding for Head Start to make sure children are served in full-day, full-year programs that research shows lead to better outcomes for children.
- **Supports universal preschool.** The Preschool for All initiative, in partnership with the States, provides all four-year-olds from low- and moderate-income families with access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies.
- **Lays the groundwork for Preschool for All.** The Budget provides \$750 million for the Department of Education's Preschool Development Grants, a substantial increase of \$500 million over the 2015 level. Preschool Development Grants are currently helping 18 States develop and expand high-quality preschool programs in targeted communities; the Budget will increase that number to over 40 States.



- **Invests in voluntary, evidence-based home visiting.** The Budget extends and expands evidence-based, voluntary home visiting programs, building on research showing that home visits by a nurse, social worker, or other professional during pregnancy and in the early years of life can significantly reduce child abuse and neglect, improve parenting, and promote child development and school readiness.

**Advancing K-12 Reforms through Programs Showing Results.** Over the past six years, the Administration has worked with States and school districts to help all children meet rigorous college- and career ready standards. To reach that goal, the Administration has promoted evidence-based initiatives that improve low-performing schools and support effective teaching and school leadership. Forty-eight states and the District of Columbia have raised standards for learning in their schools and are supporting the hard work teachers and principals are doing to enable their students to succeed. Innovation, data analysis, and evaluation have been key to these efforts. And, the signs of progress are clear: the high school graduation rate is the highest on record and students are making academic gains.

The Budget continues to invest in priority education programs, in ways that will make a difference for students. The Budget:

- **Ensures Equity of Opportunity.** Title I is the Department of Education's largest K-12 grant program and the cornerstone of its commitment to supporting low-income schools with the funding necessary to provide high-need students with access to an excellent education. The Budget provides \$15.4 billion, a \$1 billion increase, for this program. In addition, the Budget proposes \$100 million to support districts that are using their Federal formula funds for evidence-based interventions, and includes a pilot opportunity for districts that equitably distribute State, local and Federal funds to schools to receive relief from federal reporting and fiscal requirements
- **Improves Outcomes for Students with Disabilities.** The Budget includes \$11.7 billion for Individuals with Disabilities Education Act (IDEA) grants to States, a \$175 million increase, to help states pay the additional costs of special education, and implement a new "Results Driven Accountability" system that will ensure districts focus on improving outcomes for students with disabilities.
- **Supports our Teachers.** To build on the major reforms States have made in their teacher and principal evaluation policies, the Budget directs \$3 billion towards the goals of preparing teachers for success in the classroom and supporting that success throughout their career. This investment includes \$200 million for an improved Education Technology State Grants program focused on providing educators with training and support to maximize the impact of expanded access to technology to provide high-quality, personalized instruction to students. The Budget also supports a companion initiative funded at \$1 billion annually for five years in mandatory funding that will support bold, comprehensive State and local efforts to attract the best candidates to the teaching profession and prepare them for the demands of the classroom, while also creating a culture of excellence and professional growth for teachers throughout their careers.
- **Builds Evidence and Encouraging Innovation.** The Budget funds the Investing in Innovation program at \$300 million, a \$180 million increase over 2015 enacted, to develop and test effective practices and provide better information to States and districts on what works in key

areas such as implementing college- and career-ready standards, using data to inform instruction and personalize learning, and improving low-performing schools.

- **Creates Great Schools.** A new \$125 million competitive program will promote the re-design of America's high schools by integrating deeper learning, student-centered instruction, and career-related experiences, with a particular focus on science, technology, engineering, and math (STEM) themed high schools that expand opportunities for girls and other groups underrepresented in STEM fields. The Budget invests \$556 million, a \$50 million increase over 2015 enacted, in School Improvement Grants, to expand the use of evidence-based approaches to turning around our lowest performing schools, including high schools with unacceptably low graduation rates. The Budget also provides \$375 million for Charter Schools, an additional \$122 million, to significantly increase the expansion and replication of high-quality charter schools in high-need communities.
- **Implements Neighborhood-based Strategies.** The Budget provides \$150 million to support current Promise Neighborhoods and create up to 25 more to support local partnerships to develop and implement comprehensive, neighborhood-based plans for meeting the cradle-to-career educational, health, and social service needs of children and families in high-poverty communities
- **Improves STEM Education.** The Budget invests \$3 billion to improve STEM education across the government. This includes \$202 million for Department of Education's K-12 Math and Science Partnerships and \$135 million for improving undergraduate education at the National Science Foundation.
- **Keeps Our Schools Safe.** The Budget continues support for the President's plan to reduce gun violence and increase school safety, by providing more than \$80 million to help schools create safer and more nurturing school climates through evidence-based behavioral intervention practices, provide support and services to children exposed to pervasive violence, and provide technical assistance and disseminate best practices on school safety and climate.

**Making a High-Quality College Education More Affordable.** An estimated two-thirds of job openings will require some postsecondary education and training by 2020. The President has placed a high priority on making college affordable and helping Americans obtain a meaningful college certificate or degree. Beginning in 2009, the Administration has increased the maximum Pell Grant by more than \$1,000, to \$5,775 in school year 2015-16, and provided additional tax benefits to help families pay for college. The Administration ended subsidies to banks under the guaranteed student loan program and reinvested those savings to help more students and families afford college with increased funding to the Pell Grant program. In addition, the Administration has expanded income-driven repayment options, such as the President's Pay As You Earn plan, to help more borrowers manage their student loan debt. In 2013, the Department of Education introduced the College Scorecard to provide critical information about college value to assist prospective students and their families in the college search and selection process, and the President announced the development of a college ratings system to identify colleges providing the best value and encourage all colleges to improve.

The Budget builds on this progress and charts a path forward on the President's plan to make college more affordable. The Budget:

- **Provides Tuition-Free Community College for Responsible Students.** The President's America's College Promise proposal makes community college free for responsible students, enabling them to earn a certificate, an associate's degree or up to two years' worth of credits towards a bachelor's degree without paying any tuition or fees. Everyone will be required to do their part: 1) states must invest more in higher education and training 2) community colleges must strengthen their programs and increase the number of students who graduate, and 3) students must take responsibility for their education, earn good grades, and stay on track to graduate. Students would continue to qualify for federal student aid (including Pell grants), which could help cover other costs of attendance, such as books, supplies, housing, and transportation.
- **Ensures that Pell Grants Keep Pace with Inflation.** Pell Grants are central to our efforts to help low and moderate income students afford college. In the 2014-15 award year, Pell Grants provided an estimated \$31 billion in college aid to 8.2 million students. Since 2013, Pell Grants have been adjusted for inflation annually, but unless Congress acts, this will end in 2017 and the value of Pell Grants will start to erode, making it even harder for families to afford college. The Budget addresses this, supporting the continued indexing of Pell Grants, to ensure that their value is not eroded by inflation.
- **Keeps Student Loans Manageable.** The Administration is helping student borrowers with existing debt manage their obligations through income-driven repayment plans, such as the Pay-As-You-Earn (PAYE) plan, which cap student loan payments at 10 percent of monthly discretionary income. The Department of Education has contacted struggling borrowers to make sure they are aware of these new options, and ensured that they have the information they need to choose the best one to help them responsibly manage their debt. The Budget proposes to extend PAYE to all student borrowers and reform the PAYE terms to ensure that the program is well-targeted and to safeguard the program for the future.
- **Simplifies Education Tax Benefits for All Students and Families.** While the creation of the American Opportunity Tax Credit (AOTC) in 2009 made college more affordable for millions of students and their families, our system of tax incentives for higher education is complex, and families are sometimes unable to take full advantage of the benefits. Building on bipartisan reform proposals, the Budget would simplify, consolidate, and better target tax-based financial aid. It would cut taxes for 8.5 million families and students, simplify taxes for the more than 25 million families and students that claim education tax benefits, and provide students working toward a college degree with up to \$2,500 of assistance each year for five years.
- **Supports Minority Serving Institutions and College Access for Minority Youth.** The Budget sustains funding for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) and increases funding for TRIO. These programs help disadvantaged students prepare for, enroll, and complete postsecondary education. The increase in funding would support a TRIO Demonstration Initiative to test new approaches to foster college success. The Budget also provides a 30 percent set-aside for Minority-Serving Institutions in the \$200 million First in the World competition to drive innovations in higher education that increase college completion, value, and affordability.
- **Drives Performance and Innovation in Higher Education.** To drive performance and improve outcomes in higher education, the Budget:

- Expands the First in the World fund to \$200 million, to identify and expand promising and evidenced-based innovations and practices at colleges and universities across the country to dramatically improve educational outcomes for all students and make college more affordable;
- Provides new College Opportunity and Graduation Bonuses to reward colleges that successfully enroll and graduate a significant number of low- and moderate-income students;
- Proposes a new \$200 million CTE Innovation Fund to create the American Technical Training Fund, which would provide competitive grants to support the development, operation and expansion of evidence-based training programs, in partnership with industry, for skilled jobs in high-demand fields that provide a path to the middle class for low-income individuals; and
- Strengthens academic progress requirements in the Pell Grant program to encourage students to complete their studies on time.

**Expanding Learn and Earn Strategies.** The Budget includes a \$2 billion Apprenticeship Training Fund to help more employers come to the table to provide high-quality on-the-job training through apprenticeship. Of the \$2 billion Apprenticeship Training Fund, \$1.5 billion would be used to provide states and regions with resources to encourage greater employer participation in apprenticeship and make this model available to a broader range of workers. The remaining \$500 million would create an innovation fund to reward partnerships between states, cities, regions, non-profits, employers, labor unions, and training providers to expand apprenticeships. The President's Apprenticeship Training Fund proposal builds on bipartisan momentum underway to increase support for apprenticeships. The Budget also includes \$100 million in discretionary funding for apprenticeship grants to States, industry, and community based organizations to build capacity to develop or expand registered apprenticeship programs.

**Reforming Federal Job Training to Better Connect Workers with Good Jobs.** In last year's State of the Union, the President asked Vice President Biden to lead an across-the-board review of America's job training programs to ensure they share a single mission: providing workers with the skills they need to secure good jobs that are ready to be filled. In July, after engaging with business, labor, and the workforce community, the Vice President delivered a report that details specific actions that the Administration is taking and can take in the future as a result of this review. Specifically, the Administration has created a job-driven checklist that will guide administrative action to ensure that what's working best becomes what all Americans can expect when they participate in a federally funded training program. The checklist includes best practices such as engaging with employers in training partnerships to fill in-demand jobs in growing fields, expanding on-the-job training and apprenticeships, and using data to guide smarter choices and achieve better employment outcomes. The Administration already awarded over \$1 billion in competitive grants to organizations last year that applied this checklist, channeling training resources to growing sectors. For example, over \$300 million was awarded to partnerships to train and hire for in-demand IT occupations. Additionally, the Administration is working to incorporate the checklist into existing programs and grants. For example, training for vocational rehabilitation counselors now includes training in employer engagement and use of labor market information to identify in-demand fields.